



Synacor Maintains Second-Quarter and Full-Year 2019 Guidance as It Initiates Discussions with AT&T to Wind-Down Portal Services

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BUFFALO, N.Y.--(BUSINESS WIRE)-- Synacor, Inc. (Nasdaq: SYNC), the trusted technology development, multiplatform services and revenue partner for video, internet and communications providers, device manufacturers, governments and enterprises, today announced that it plans to begin discussions with AT&T regarding a wind-down and user-migration plan as it has been notified that AT&T intends to select another provider of portal services for its **ATT.net** consumer experience.

Synacor expects the planning and execution of a wind-down and migration plan to take many months and will be subject to mutual agreement between AT&T and Synacor. Based on this current expectation, the Company is maintaining its previously announced second-quarter and full-year 2019 guidance.

"Synacor is a \$100 million plus revenue business without the AT&T portal, and we have never been more excited about the significant opportunities in our \$49 million high-margin, recurring-revenue-driven enterprise software business," said Himesh Bhise, Synacor's chief executive officer. "Zimbra Email & Collaboration and Cloud ID Identity and Access Management are increasingly the platforms of choice for a growing number of service providers and businesses around the world. We also are encouraged by the growth in our publisher-focused advertising business, where we have significantly increased the number of active monthly publishers using our platform. Going forward these create a software-oriented, higher overall margin profile for Synacor."

"The Synacor-powered **ATT.net** platform enabled AT&T to retake control of its brand on the portal, drive strong user engagement across mobile and desktop, and deliver against its advertising budget expectations," said Bhise. "While we were optimistic regarding the strength of our renewal proposals as well as our accomplishments for **ATT.net**, we have been actively managing the Synacor business to prepare for any outcome and have remained focused on our high-growth products and services. We will continue to execute on our strategy to drive profitable growth through an increasing level of high-margin revenue."

In the first quarter of 2019, **ATT.net** represented \$9.3 million of the \$20.7 million in revenue from Synacor's Portal & Advertising segment, which reported an adjusted EBITDA margin of 12.7%. Synacor's Software and Services segment reported \$11.2 million of revenues with an adjusted EBITDA margin of 25%.

Synacor Full-Year 2018 Revenue Excluding ATT.net[1]

	2018 Recurring Revenue	2018 Non-recurring Revenue	2018 Totals
Software & Services	\$35.8M	\$12.9M	\$48.7M
Portal & Advertising	\$7.3M	\$46.0M	\$53.3M
2018 Totals	\$43.1M	\$58.9M	\$102.0M

[1] See Company's full-year 2018 earnings release dated March 13, 2019 available on its website at www.synacor.com for full-year 2018 financial results.

As of July 10, 2019, Synacor had a market capitalization of \$60.5 million. Based on its March 31, 2019 cash position of \$13.5 million, this equates to an enterprise value of \$47.0 million.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: This press release contains forward-looking statements concerning Synacor's expected financial performance including, without limitation, its second-quarter and full-year 2019 guidance, the statements and quotations from management and Synacor's strategic and operational plans. The achievement or success of the matters covered by such forward-looking statements involves risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, the Company's results could differ materially from the results expressed or implied by the forward-looking statements the Company makes.

The risks and uncertainties referred to above include - but are not limited to - risks associated with: execution of our plans and strategies, including the loss of a significant customer; the nature and terms of a wind-down and migration plan with AT&T; our ability to obtain new customers; our ability to integrate the assets and personnel from acquisitions; expectations regarding consumer taste and user adoption of applications and solutions; developments in internet browser software and search advertising technologies; general economic conditions; expectations regarding the Company's ability to timely expand the breadth of services and products or introduction of new services and products; consolidation within the cable and telecommunications industries; changes in the competitive dynamics in the market for online search and digital advertising; the risk that security measures could be breached and unauthorized access to subscriber data could be obtained; potential third party intellectual

property infringement claims or other legal claims against Synacor; and the price volatility of our common stock.

Further information on these and other factors that could affect the Company's financial results is included in filings it makes with the Securities and Exchange Commission from time to time, including the section entitled "Risk Factors" in the Company's most recent Form 10-K filed with the SEC. These documents are available on the SEC Filings section of the Investor Information section of the Company's website at <http://investor.synacor.com/>. All information provided in this release and in the attachments is available as of May 8, 2019, and Synacor undertakes no duty to update this information.

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Investor Contact:

David Calusdian

Sharon Merrill Associates

ir@synacor.com

617-542-5300

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